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Before the SUBCOMMITTEE ON COMPETITION, FOREIGN COMMERCE, AND INFRASTRUCTURE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION UNITED STATES SENATE

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Mr. Chairman, Members of the Subcommittee, thank you for the opportunity to speak about the National Highway Traffic Safety Administration's (NHTSA) implementation of the Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act and various motor vehicle safety issues.

I want to express my appreciation for this subcommittee's long-standing support of motor vehicle programs. Transportation safety is a top priority for President Bush and Secretary Mineta. We are grateful to this subcommittee for its continuing leadership and for scheduling this hearing.

Overview of TREAD Act

As you know, the TREAD Act was enacted on November 1, 2000, as a direct consequence of hearings held before the House and the Senate, including this committee, on the safety of tires and related matters. In the course of the hearings, the committees determined that NHTSA might have detected the problems with the tires in question sooner, if reports of the problems with these tires had been obtained in a timelier manner.

The TREAD Act challenged us to do a lot of work. The TREAD Act required us to complete 15 separate rulemaking actions, three reports, two studies, and one strategic plan. Many of these required actions had tight deadlines, some as short as 30 days. Some of the actions had not been on our rulemaking agenda before the TREAD Act, so our priorities changed to accomplish what the Act mandated. These changes also required a shift of agency efforts away from several important priorities.

In the Defects and Enforcement areas, we have issued 8 final rules. These rules included a comprehensive regulation requiring vehicle and equipment manufacturers to report periodically to NHTSA on a wide variety of information that could indicate the existence of a potential safety defect and to advise NHTSA of foreign safety recalls and other safety campaigns. We have developed a

computer system to receive and house these data, and manufacturers have already begun to submit the required data to the agency. We also implemented a host of other provisions of the TREAD Act, including those relating to increased civil penalties, the acceleration of vehicle remedy programs, consumer reimbursement procedures, and the disposition of recalled tires. In addition, NHTSA undertook a comprehensive review of the way in which the agency determines whether to open a defect investigation.

In the Federal Motor Vehicle Safety Standards area, the TREAD Act also directed the Secretary to conduct rulemaking actions to revise and update the standards for tires and tire labeling, and to require Tire Pressure Monitoring Systems (TPMS) in new motor vehicles. Final rules were published in all of these areas and we will conduct another rulemaking relating to TPMS in accordance with a 2003 court reversal of our final rule. We plan to publish an NPRM with a new TPMS proposal by September 2004. The new proposal is expected to save approximately 124 lives and 8,722 injuries each year, based on our previous benefits assessments. The tire upgrade rule is expected to save 1 to 4 lives and 23 to 102 injuries each year when all tires on the road meet the new requirements.

The Act also directed the Secretary to develop a dynamic rollover test for motor vehicles, to carry out a program of dynamic rollover tests, and to disseminate the results to the public. The agency announced the final test program in 2003, and we began rating model year 2004 vehicles this past fall. Manufacturers have begun to make design changes to several popular sport utility vehicles (SUVs) to reduce their propensity to roll over.

An extensive provision on child restraints required that the Secretary undertake a comprehensive review of the safety of child restraints, upgrade the safety standard for child restraints where appropriate, establish a rating system for child restraints, study the effectiveness of automobile booster seats for children, and establish a plan for saving lives and reducing injuries through the use of booster seats. In 2003 we published the final rule to upgrade child seat performance, which is expected to save 36-50 lives per year. We have completed all of the actions required in the child safety provisions.

I have attached a chart to this statement that provides a complete status report on each of the requirements of the TREAD Act.

Rulemaking Priority Plan

When the TREAD Act was enacted on November 1, 2000, NHTSA had no formal rulemaking plan and no process to regularly review rules and regulations, and it took an average of about 4 years to complete a rule.

When I became Administrator in August 2001, I committed the agency to improving our rulemaking operation. We also realigned our research priorities to

support our rulemaking efforts. We developed a comprehensive Rulemaking Priority Plan based on our nation's fatality and injury data. Finally, I set a goal of a 2-year duration for the entire rulemaking process. A March audit by the Department of Transportation's Inspector General found that, based on a sample of significant rules for 2003, we have met that goal. This was accomplished with careful attention to timelines, milestones, and internal deadlines that we imposed upon ourselves.

Since completion of the TREAD Act requirements, we have been able to devote our efforts toward activities that offer the greatest potential for saving lives and preventing injuries. To accomplish this, we published NHTSA's multi-year Rulemaking Priority Plan in the summer of 2003. It documents the agency's rulemaking goals through 2006. We defined these rulemaking priorities through an extensive deliberative process, through collaboration within the agency, working with Congress, and through an open public comment process.

We prioritized potential new rules and upgrades of existing rules according to the size and severity of the problems they address, and the best estimates of the cost and effectiveness. Once the rulemaking priorities were established, we then prioritized our research studies to make sure that those needed to support the priority rulemakings were also given the highest priority.

We intend for our priority plan to be a living document and we will update it annually. We also are committed to reviewing all Federal motor vehicle safety standards systematically over a 7-year cycle. Each standard will be assessed according to a set of criteria related to safety problems, potential solutions, technology issues and enforcement issues.

The Administration believes that setting rulemaking priorities based on data produces better results and is more cost effective than legislatively mandated rulemakings that displace valuable agency resources.

Mr. Chairman, our priority rulemaking actions are detailed in our priority plan, which I am submitting for the record. Very briefly, I would like to highlight two vehicle-based programs that we are working on that we expect to greatly reduce fatalities: vehicle compatibility and rollover. We formulated and published a road map to address these concerns last year, and our Rulemaking Priority Plan reflects this effort.

Of the 32,598 passenger-vehicle occupants killed in 2002, over 9,000 were killed in side impacts. In side impacts involving two passenger vehicles, an occupant of the struck vehicle was about seven times more likely to die than an occupant of the striking vehicle.

Just three weeks ago, we proposed a new vehicle side-impact standard that would require auto manufacturers to provide head protection in side crashes for the first

time. It would also improve protection of the thorax and pelvis for more sizes of people involved in such crashes. We estimate that changes in vehicle design to satisfy these proposed requirements could save 700 to 1,000 lives a year. When this standard becomes final, it will address much of the problem with crash compatibility in side crashes.

Beyond the side-impact proposal, we are continuing to research compatibility issues with the striking vehicle to control how vehicles interact in these crashes.

Rollovers are another highly lethal type of crash and one of our highest priorities. Even though rollovers account for less than 3 percent of passenger vehicles crashes, they account for about a third of all passenger vehicle occupant fatalities – over 10,000 people killed a year. In SUVs, rollovers account for more than 60 percent of occupant fatalities.

To address this problem, we are taking a comprehensive look at protecting people in a rollover. One major component of this approach is to continue our efforts in getting people to buckle their safety belts. Nearly half of rollover deaths are the result of full or partial ejections from the vehicle, and nearly all ejections are unbelted. Last year, with the help of Congress, we were able to raise the national safety belt usage rate from 75 to 79 percent. Since higher safety belt usage rates translate into decreased fatalities, this 4-percentage point increase will result in a 1,000 lives saved annually.

In addition to our safety belt efforts, we will work on optimizing the structural integrity of vehicles and reducing ejections. Our Integrated Project Team report on Rollover Initiatives outlines our strategies to address this critical problem. We believe that our upgrade of the side-impact standard will also lead to reductions in ejection, since the countermeasures for side-impact protection we foresee could also prevent ejections in the event of a rollover. As our research matures, we will consider appropriate rulemakings on these matters.

To reduce the occurrence of rollover, our rollover ratings in our consumer information program are already showing benefits. Longer term, we will be expanding our research into technology-assisted crash avoidance, including electronic stability control systems and driver-assist technologies to avoid all types of crashes. Further, we need to undertake research and development with respect to the safety of hydrogen-powered vehicles to support the President's Hydrogen Fuel Initiative and the FreedomCAR Program.

Mr. Chairman, this concludes my overview of our actions to implement the TREAD Act and the agency's rulemaking goals as detailed in our priority plan. I will be glad to answer any questions you may have.

Attachment: TREAD Act Status Report